

CHAPTER 297

**GOVERNMENT - STATE**

**SENATE BILL 99-233**

BY SENATORS Lacy, Owen, and Tanner;  
also REPRESENTATIVES Tool, Berry, Saliman, and George.

**AN ACT**

CONCERNING STATE FISCAL POLICIES RELATING TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 24-77-102 (1), Colorado Revised Statutes, is amended to read:

**24-77-102. Definitions.** As used in this article, unless the context otherwise requires:

(1) "Collections for another government" means any tax revenues ~~which~~ OR OTHER REVENUES THAT are collected by the state for the benefit and use of any government other than the state pursuant to the ~~taxing~~ authority of such other government and ~~which~~ THAT are passed through to the government for whose use such revenues were collected.

**SECTION 2.** 24-77-103 (1) (a) and (1) (b), Colorado Revised Statutes, are amended, and the said 24-77-103 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

**24-77-103. Limitation on state fiscal year spending - legislative declaration.**

(1) For fiscal year 1993-94 and each fiscal year thereafter, state fiscal year spending shall not exceed an amount equal to:

(a) State fiscal year spending for the previous fiscal year AS MAY BE ADJUSTED PURSUANT TO THE PROVISIONS OF SECTION 24-77-103.5; as modified by

(b) An amount equal to a percentage calculated pursuant to subsection (2) of this section times the state fiscal year spending for the previous fiscal year, as adjusted

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

for qualification and disqualification of enterprises, AS ADJUSTED PURSUANT TO THE PROVISIONS OF SUBSECTION (2.3) OF THIS SECTION, and as reduced by an amount equal to:

(2.3) (a) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION FAILS TO PROVIDE GUIDANCE AS TO HOW THE ABSORPTION OF AN EXISTING LOCAL GOVERNMENT DISTRICT BY THE STATE IS TO BE TREATED FOR PURPOSES OF COMPLIANCE WITH SAID CONSTITUTIONAL PROVISION. THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT IT IS NOT REASONABLE FOR STATE FISCAL YEAR SPENDING TO REMAIN AT THE SAME LEVEL, WITH AN ACCOMPANYING REDUCTION IN REVENUES AVAILABLE TO FUND OTHER STATE SERVICES, IN ORDER THAT THE STATE MAY ABSORB LOCAL GOVERNMENT DISTRICTS THAT PROVIDE HIGHER EDUCATION SERVICES. THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT THE METHOD OF ABSORBING LOCAL GOVERNMENT DISTRICTS THAT PROVIDE HIGHER EDUCATION SERVICES BY THE STATE FOR PURPOSES OF COMPLIANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION EMBODIED IN THIS SUBSECTION (2.3) REASONABLY RESTRAINS MOST THE GROWTH OF GOVERNMENT SINCE GOVERNMENT AS A WHOLE HAS NOT GROWN WHILE PRESERVING ESSENTIAL STATE SERVICES.

(b) FOR PURPOSES OF PARAGRAPH (b) OF SUBSECTION (1) OF THIS SECTION, WHEN ANY LOCAL GOVERNMENT DISTRICT THAT PROVIDES HIGHER EDUCATION SERVICES JOINS THE STATE, THE AMOUNT OF STATE FISCAL YEAR SPENDING ALLOWABLE FOR THE FISCAL YEAR IN WHICH SUCH JOINDER TAKES EFFECT SHALL BE ADJUSTED BY THE AMOUNT OF FISCAL YEAR SPENDING OF SUCH LOCAL GOVERNMENT DISTRICT THAT PROVIDES HIGHER EDUCATION SERVICES IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION IN THE CURRENT FISCAL YEAR.

**SECTION 3.** Article 77 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**24-77-103.5. Legislative declaration - correction of errors - authority of the controller and auditor.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT ASCERTAINING COMPLIANCE WITH THE PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION REQUIRES THAT ACCURATE CALCULATIONS BE MADE OF STATE FISCAL YEAR SPENDING. THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT IT IS REASONABLE TO ACCOUNT FOR ANY ERRORS IN CALCULATING STATE FISCAL YEAR SPENDING BY AUTHORIZING THE CONTROLLER TO MAKE EQUIVALENT ADJUSTMENTS IN STATE FISCAL YEAR SPENDING FOR THE FISCAL YEAR IN WHICH SUCH ERRORS ARE DISCOVERED IN ACCORDANCE WITH THE PROVISIONS OF THIS SUBSECTION (1).

(2) FOR PURPOSES OF SECTION 24-77-103, FOR ANY GIVEN FISCAL YEAR, IF THE CONTROLLER DISCOVERS AN ERROR INVOLVING A PRIOR FISCAL YEAR BY WHATEVER MEANS AVAILABLE AFFECTING THE CALCULATION OF STATE FISCAL YEAR SPENDING, THE CONTROLLER MAY CORRECT SUCH ERROR BY INCREASING OR DECREASING IN AN APPROPRIATE AMOUNT THE ALLOWABLE STATE FISCAL YEAR SPENDING FOR THE FISCAL YEAR IN WHICH SUCH ERROR IS DISCOVERED, SUBJECT TO A REVIEW OF SUCH ADJUSTMENT BY THE STATE AUDITOR.

**SECTION 4.** 24-77-106, Colorado Revised Statutes, is amended to read:

**24-77-106. Establishment of annual allowable uncommitted reserves - legislative declaration.** (1) The general assembly hereby finds and declares that:

(a) Section 20 of article X of the state constitution limits state fiscal year spending;

(b) Subject to certain exclusions specified in section 20 of article X of the state constitution, all state general fund ~~expenditures~~ REVENUES and all state cash fund ~~expenditures~~ REVENUES are included in the limitation on state fiscal year spending;

(c) The legislative powers of the general assembly, including but not limited to its plenary power of appropriation, authorize and require the general assembly to assure compliance with the limitation on state fiscal year spending and to make fundamental fiscal policy decisions establishing the level of activity of all departments and agencies of state government, ~~except for the limited gaming control commission created pursuant to section 9 (2) of article XVIII of the state constitution~~ INCLUDING THOSE FUNDED BY REVENUES GENERATED FROM FEES; and

(d) Consonant with the exercise of such legislative powers, the general assembly must establish limits on the ~~revenues collected and expenditures made by all~~ AMOUNT OF UNCOMMITTED RESERVES THAT MAY BE MAINTAINED BY THE departments and agencies of state government ~~except for the limited gaming control commission created pursuant to section 9 (2) of article XVIII of the state constitution~~ FOR CASH FUNDS UNDER THEIR CONTROL AND MUST EXERCISE ANY OTHER NECESSARY CONTROLS ON CASH FUND REVENUES, INCLUDING BUT NOT LIMITED TO THE POWER OF APPROPRIATION.

(2) ~~Except as otherwise provided in this subsection (2), for the 1993-94 fiscal year and fiscal years thereafter, the general assembly, in the general appropriation bill or by separate bill, shall prescribe the total amount of revenues that may be collected by each department and agency of state government for the fiscal year. The amount prescribed by the general assembly pursuant to this subsection (2) shall be based upon the determination of the limitation on state fiscal year spending under section 20 of article X of the state constitution and upon decisions establishing the level of activity of all departments and agencies of state government. The provisions of this subsection (2) shall not apply to the limited gaming control commission created in section 9 (2) of article XVIII of the state constitution.~~

(3) FOR THE 1999-2000 FISCAL YEAR AND EACH FISCAL YEAR THEREAFTER, EACH DEPARTMENT OR AGENCY OF STATE GOVERNMENT SHALL MAINTAIN THE UNCOMMITTED RESERVES OF ANY CASH FUND UNDER ITS CONTROL IN ACCORDANCE WITH SECTION 24-75-402.

**SECTION 5. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: June 2, 1999